

**RUN HONG KONG LIMITED**

**Reports and Financial Statements  
For the year ended 30 June 2020**

CERTIFIED TRUE COPY



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**Virginie Regine Frederique Marie Ghislain  
GOETHALS**  
Director



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**RUN HONG KONG LIMITED  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2020**

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**RUN HONG KONG LIMITED  
COMMITTEE'S REPORT**

The committee has the pleasure in submitting their annual report to the members together with the audited financial statements of Run Hong Kong Limited ("the Association") for the year ended 30 June 2020.

**Principal activity**

The principal activity of the Association is to promote the importance and benefits of mental and physical well-being, including without limitation, active and healthy lifestyles, for the purpose of relief of poverty and advancement of education primarily among conflict-affected communities.

The Association has been granted tax exemption as a charitable institution under Section 88 of the Inland Revenue Ordinance with effect from 6 July 2016.

**Business Review**

Pursuant to Section 388(3)(a) of the Hong Kong Companies Ordinance (Cap.622), the Association is exempted from the preparation of a business review as required under Schedule 5 of the Hong Kong Companies Ordinance (Cap.622) as the Association falls within the reporting exemption for the financial year.

**Results and state of affairs**

The results of the Association for the year ended 30 June 2020 and the state of the Association's affairs as at that date are shown in the financial statements on pages 6 to 10.

**Reserve**

The committee members do not propose to make any transfer to reserve.

**Committee members**

The members of the committee who held office during the year and up to the date of this report were as follows:

Ms. Virginie Regine Frederique Marie Ghislain GOETHALS	
Ms. Brenda Jean SAWYER	
Ms. Jodie Wai Yean CHAN	
Mr. David Andrew JACQUIER	(appointed on 3 February 2020)
Mr. Paul Jeremy BROUGH	(appointed on 30 March 2020)

**Permitted indemnity provision**

permitted indemnity provision being in force for the benefit of any of the committee members of the Association (whether made by the Association or otherwise) or an associated company (if made by the Association).

**RUN HONG KONG LIMITED  
COMMITTEE'S REPORT**

**Management contract**

The Association did not enter into any contract, other than the contracts of service with any committee members of the Association or any person engaged in the full-time employment of the Association, by which a person or entity undertakes the management and administration of the whole or any substantial part of any business of the Association.

**Auditor**

The financial statements have been audited by Fung, Yu & Co. CPA Limited, Certified Public Accountants (Practising), who will retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

On behalf of the committee



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Ms. Virginie Regine Frederique Marie Ghislain GOETHALS  
Committee member

Date: - 4 DEC 2020



FUNG, YU & CO. CPA LIMITED  
馮兆林余錫光會計師事務所有限公司

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
RUN HONG KONG LIMITED  
(incorporated in Hong Kong with limited guarantee)**

***Opinion***

We have audited the financial statements of Run Hong Kong Limited ("the Association") set out on pages 6 to 10, which comprise the statement of financial position as at 30 June 2020, and the income statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements of the Association are prepared, in all material respects, in accordance with the Hong Kong Small and Medium-Sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

***Basis for Opinion***

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") and with reference to Practice Note 900 (Revised) *Audit of Financial Statements Prepared in Accordance with the Small and Medium-Sized Entity Financial Reporting Standard* issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

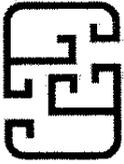
***Information Other than the Financial Statements and Auditor's Report Thereon***

The committee is responsible for the other information. The other information comprises all the information included in the committee's report, but does not include the financial statements and our auditor's report

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
RUN HONG KONG LIMITED  
(incorporated in Hong Kong with limited guarantee)**

***Responsibilities of Committee and Those Charged with Governance for the Financial Statements***

The committee is responsible for the preparation of the financial statements in accordance with the SME-FRS issued by the HKICPA and the Hong Kong Companies Ordinance, and for such internal control as the committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

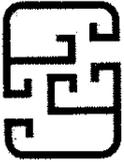
***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an committee's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.



FUNG, YU & CO. CPA LIMITED  
馮兆林余錫光會計師事務所有限公司

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香港干諾道中148號粵海投資大廈10樓

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
RUN HONG KONG LIMITED  
(incorporated in Hong Kong with limited guarantee)**

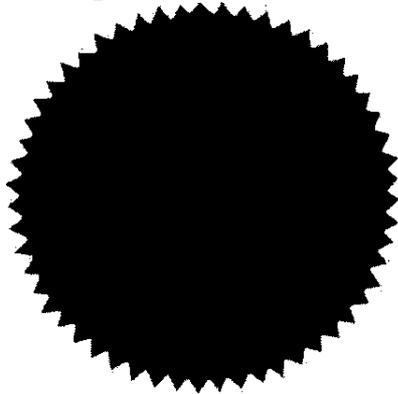
*Auditor's Responsibility for the Audit of the Financial Statements (cont'd)*

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee.
- Conclude on the appropriateness of the committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

FUNG, YU & CO. CPA LIMITED  
Certified Public Accountants (Practising)

LAU Vui Cheong  
Practising Certificate Number: P03455



Date: - 4 DEC 2020

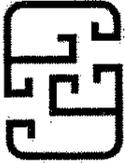
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**RUN HONG KONG LIMITED**  
**INCOME STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	2020 HK\$	2019 HK\$
<b>Income</b>			
Donation income		3,823,919.51	3,169,214.06
<b>Other revenue</b>			
Bank interest income		260.97	783.92
Community Sponsorship Fund		320,955.30	-
Sundry income		72,000.00	-
		393,216.27	783.92
<b>Less: Expenditures</b>			
Bank charges		2,961.01	150.00
Bank interest expenses		54.00	183.00
Building management fee		33,265.80	33,265.80
Comprehensive Solutions		666,296.21	-
Cook Book expenses		36,291.00	-
Depreciation expenses		12,779.40	12,779.40
Emergency fund		607,995.40	482,125.50
Insurance		42,137.60	67,261.85
Internet expenses		5,387.96	-
Legal and professional fees		97,100.00	-
Mandatory provident fund		31,100.00	26,044.38
Marketing expenses		93,864.90	133,099.00
Medical expenses		14,171.00	-
Printing and stationery		19,723.13	1,685.00
Program food expenses		227,103.39	240,684.97
Program gear costs		138,649.70	74,702.87
Program travelling expenses		508,855.54	406,059.93
Promotion expenses		3,937.00	15,991.00
Renovation expenses		19,200.00	-
Rent and rates		3,150.00	2,840.55
Salaries		887,307.40	438,447.57
Special activities expenses		631,663.57	405,386.47
Sundry expenses		106,944.99	70,185.00
Utilities		7,886.00	16,037.60
		4,197,825.00	2,426,929.89
<b>Surplus before taxation</b>		19,310.78	743,068.09
<b>Taxation</b>	4	-	-
<b>Surplus for the year</b>		19,310.78	743,068.09

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FUNG, YU & CO. CPA LIMITED  
馮兆林余錫光會計師事務所有限公司

RUN HONG KONG LIMITED  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020

	Notes	2020 HK\$	2019 HK\$
<b>Non-current asset</b>			
Plant and equipment	5	22,679.86	35,459.26
<b>Current assets</b>			
Other receivable		-	8,000.00
Prepayment		9,000.00	-
Cash at bank and in hand		1,773,981.60	1,736,716.42
		1,782,981.60	1,744,716.42
<b>Current liability</b>			
Accrued expenses		6,175.00	-
<b>Net current assets</b>		1,776,806.60	1,744,716.42
<b>Net assets</b>		1,799,486.46	1,780,175.68
<b>Retained surplus</b>	7	1,799,486.46	1,780,175.68

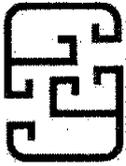
Approved and authorised for issue by the committee on  
On behalf of the committee:

- 4 DEC 2020

Ms. Virginie Regine Frederique Marie  
Ghislain GOETHALS  
Committee member

Ms. Brenda Jean SAWYER

Committee member



**RUN HONG KONG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

1. **General information**

The Association is a association incorporated in Hong Kong with liability limited by guarantee. The liability of each of its members is limited to an amount not exceeding HK\$100 while he or she is a member or within one year after he or she ceases to be a member. Its registered office is located at 10/F., Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong. The principal activity of the Association is to promote the importance and benefits of mental and physical well-being, including without limitation, active and healthy lifestyles, for the purpose of relief of poverty and advancement of education primarily among conflict-affected communities.

2. **Basis of preparation**

The Association qualifies for the reporting exemption as a small guarantee company under section 359(1)(a) of the Hong Kong Companies Ordinance (Cap. 622) and is therefore entitled to prepare and present its financial statements in accordance with the Small and Medium-sized Entity Financial Reporting Standard ("SME-FRS") issued by the Hong Kong Institute of Certified Public Accountants.

These financial statements comply with the SME-FRS and have been prepared under the accrual basis of accounting and on the basis that the Association is a going concern.

The measurement base adopted is the historical cost convention.

3. **Significant accounting policies**

(a) **Revenue recognition**

Revenue is recognised when it is probable that the economic benefits will flow to the Association and when the revenue can be measured reliably, on the following bases:

(i) Donation and reimbursement income are recognised on cash basis.

(ii) Bank interest income is recognised on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

(b) **Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

(c) **Taxation**

Income tax expense represents current tax expense. The income tax payable represents the amounts expected to be paid to the taxation authority, using the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is not provided.



**RUN HONG KONG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

3. **Significant accounting policies (cont'd)**

(d) **Translation of foreign currencies**

The reporting currency of the Association is Hong Kong Dollars, which is the currency of the primary economic environment in which the Association operates.

Foreign currency transactions during the year are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the market rates of exchange ruling at the end of the reporting period. Differences on foreign currency translation are dealt with in the income statement.

(e) **Plant and equipment**

Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The depreciable amount of an item of property, plant and equipment is allocated on a systematic basis over its estimated useful life using the straight-line method. The principal annual rates used for depreciation are as follows:

Fixture & Furniture	20%
Leasehold Improvement	20%

(f) **Other receivable**

Other receivables are stated at estimated realisable value after each debt has been considered individually. Where the payment of a debt becomes doubtful a provision is made and charged to the income statement.

4. **Taxation**

No provision for Hong Kong profits tax has been made in the financial statements as the Association is exempted from Hong Kong tax under Section 88 of Hong Kong Inland Revenue Ordinance.



**RUN HONG KONG LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2020**

5. **Plant and equipment**

	<b>Fixture &amp; Furniture HK\$</b>	<b>Leasehold Improvement HK\$</b>	<b>Total HK\$</b>
<b>At cost</b>			
At 1 July 2019 and 30 June 2020	19,307.00	44,590.00	63,897.00
<b>Aggregate depreciation</b>			
At 1 July 2019	6,702.74	21,735.00	28,437.74
Depreciation for the year	<u>3,861.40</u>	<u>8,918.00</u>	<u>12,779.40</u>
At 30 June 2020	<u>10,564.14</u>	<u>30,653.00</u>	<u>41,217.14</u>
<b>Net book value</b>			
At 30 June 2020	<u>8,742.86</u>	<u>13,937.00</u>	<u>22,679.86</u>
At 30 June 2019	<u>12,604.26</u>	<u>22,855.00</u>	<u>35,459.26</u>

6. **Committee members' remuneration**

The committee members received no remuneration for the services to the Association during the year.

7. **Changes in equity**

	<b>Retained surplus HK\$</b>
Balance at 1 July 2019	1,780,175.68
Surplus for the year	<u>19,310.78</u>
Balance at 30 June 2020	<u>1,799,486.46</u>

- The End. -